

FISCAL NOTE

SB 3038

February 3, 2004

SUMMARY OF BILL: Increases the annual income limit for eligibility for the Property Tax Relief Program for elderly and disabled homeowners to \$24,000 for tax year 2005.

ESTIMATED FISCAL IMPACT:

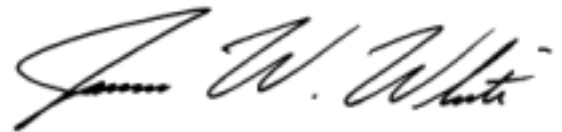
**Increase State Expenditures - \$292,500 One-Time
Exceeds \$20,000,000 Recurring**

Estimate assumes:

- approximately 195,000 additional claims from elderly homeowners.
- average payment per claim of \$120.
- total increase in tax relief payments of approximately \$23,400,000
- administrative expense to the Division of Property Assessments to handle additional claims of \$4.00 per claim in the first year and \$2.50 per claim in the second and subsequent years. This will allow for additional staff and resources, such as postage and supplies, to handle the claims. The recurring cost for administration of the provisions is estimated to be \$487,500. In the first year, there will be one-time costs for computer and office equipment for these additional positions estimated to be \$292,500.
- currently the Property Tax Relief program processes 85,000 claims with a staff of 8 people.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director